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C O N F I D E N T I A L SECTION 01 OF 03 ABU DHABI 001156

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E.O. 12958: DECL: 03/12/2015
TAGS: [PGOV](#) [PINR](#) [ECON](#) [KDEM](#) [TC](#)
SUBJECT: THE UAE FOUR MONTHS AFTER SHEIKH ZAYED'S DEATH

REF: A. ABU DHABI 1002

[1](#)B. 04 ABU DHABI 4586
[1](#)C. 04 ABU DHABI 4185
[1](#)D. 04 ABU DHABI 4130
[1](#)E. 04 ABU DHABI 3955

Classified By: Ambassador Michele J. Sison, reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: UAE President and Abu Dhabi Ruler Sheikh Khalifa bin Zayed Al Nahyan has overseen a smooth transition of power in his first four months in office. Gradually, the UAE leadership has restructured and rejuvenated government institutions, set in motion several infrastructure projects, and begun to discuss forms of representational government. Khalifa,s half-brother, Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed (MbZ), has inherited a number of Khalifa,s former titles and responsibilities, although Khalifa retains the key position of Chairman of the Supreme Petroleum Council. End Summary.

GOVERNMENT RESTRUCTURING

[1](#)2. (C) Since the death of Sheikh Zayed on November 2, several changes have taken place at the UAE federal government level and in Abu Dhabi emirate. On December 8, President Khalifa, in his capacity as Ruler of Abu Dhabi, reorganized local departments within the emirate, pared the membership on the Executive Council from 14 to 9 members, and appointed MbZ to replace him as Chairman of the Council. These changes were significant given Abu Dhabi,s status as the economic and political powerhouse in the UAE, and further signaled efforts to modernize government under MbZ leadership (Ref. B).

[1](#)3. (C) While Sheikh Khalifa has charged MbZ with running the Abu Dhabi Executive Council, he has very carefully not passed control of the Supreme Petroleum Council (SPC) to MbZ yet. The SPC decides oil production for Abu Dhabi, and as its

chairman, Khalifa retains control over the emirate,s most significant source of revenues. This status quo with regard to SPC authority means that Khalifa, and not MbZ, would make a final decision on the tendering of the 28 percent stake in the Upper Zakkum oil field, a key UAEG decision eagerly awaited by contenders Exxon, BP, and Shell.

HELP ON THE WAY FOR THE NORTHERN EMIRATES

¶4. (C) In two weeks, President Khalifa will travel to the northern emirates for the first time since taking office, Minister for Presidential Affairs Sheikh Mansour bin Zayed told the Ambassador March 12. The relatively poorer northern emirates learned January 17 that Khalifa had ordered \$405 million for the first phase of a plan to provide improved health, education, housing, roads, and water services to residents of rural areas in the northern emirates. (Note: The funds are a supplemental from Abu Dhabi,s coffers. End note) Khalifa also directed the Ministries of Public Works and Health to study building a specialized hospital in the northern emirates for the treatment of cancer, heart and other serious diseases.

WORDS AND DEEDS) FEDERAL ...

¶5. (U) The president outlined plans for expanding the economy in his National Day (December 2) statement. He promised greater diversification, industrial development, and an expansion of tourism and commercial activities. He called on the private sector to play a greater role in the employment of young Emiratis. Commenting on the changes in the tourism and energy sectors, an MbZ adviser told Pol Chief, &It is going to explode in the next six months.8

¶6. (U) Cabinet members continue to talk about the &new way of doing business.8 Education Minister Sheikh Nahyan has told administrators and teachers that he was very keen on &revolutionizing8 the educational system, relying on the latest technologies in education and management. Newly appointed Labor and Social Affairs Minister Al Ka,abi has announced plans to increase productivity, introduce an online complaint system for workers, and enhance training for labor inspectors. (However, a long-awaited update to the UAE,s labor law, which would allow workers to join unions for the first time, is still being studied.) New Public Works Minister Sheikh Hamdan bin Mubarak Al Nahyan told his staff that the ministry would set up an office in each emirate to follow up projects. Veteran Minister of Health Hamad Abdul Rahman Al Midfa has promised to restructure hospitals, streamline the health care sector, and address training needs, standards, and specialized care.

...AND LOCAL

¶7. (C) Abu Dhabi Executive Council member Khaldoon Al Mubarak, who will lead the consultations on representational government in Abu Dhabi emirate (septel), told Econ Chief that Abu Dhabi also would be moving forward on economic development projects within the next year. Following Dubai,s model, the Council is already pushing decisions back down to the departments rather than having the Council decide everything, the net result being speedier action, Al Mubarak and other business contacts say.

¶8. (U) In another sign of change, President Khalifa issued a new law on March 5, in his capacity as Ruler of Abu Dhabi, that grants citizens (but not foreigners) the right to sell and purchase housing, commercial, investment and agricultural plots, provided that they get permission from the municipality. The law also establishes a section for property registration in each of Abu Dhabi emirate,s municipalities. We have been told that unless some limited land sales were allowed, the growth of Abu Dhabi businesses would remain limited (Ref. C).

KHALIFA COURTS OTHER RULERS

¶9. (C) Sheikh Khalifa does not have his father's charisma, nor MbZ's affability, but he has been receiving the rulers of the other emirates in Abu Dhabi for consultations on a frequent and regular basis. Khalifa possesses a quality that should serve him well in his deliberations, UAE University history professor Fatima Al Sayegh told Pol Chief March 8: Khalifa listens to constituents and acts generously. &In the UAE, we don't have democracy. We have the open council, or majlis, which is part of the legacy of the tribe, and Khalifa still uses it to hear from his people, she said. Khalifa's advisors appear to be launching a media blitz. On March 13, Arabic daily &Al Bayan reported that Khalifa regards consultation and democracy as the strongest guarantees of national unity, and that the President believed the authorities should welcome constructive criticism from the press. On the economic side, President Khalifa has promised greater diversification, industrial development, and an expansion of tourism and commercial activities. He called on the private sector to play a greater role in the employment of young Emiratis in his December 2 National Day statement.

DEMOCRATIZATION, WOMEN'S EMPOWERMENT IN SLOW LANE

¶10. (C) In the political arena, few expect change to come swiftly. Electing members to the Federal National Council (FNC), which remains an appointed body without any real legislative power, has been debated for years. &In the UAE, it will take time to develop civil society, increase the participation of women, and introduce elections, FNC First Deputy Speaker Ahmed Shabeeb Al Dhaheri told Pol Chief March 8. &We first have to create new structures and modern ways of doing business. Some appear satisfied with the status quo. Abu Dhabi TV editor Abdul Raheem Al Bateeh told Pol Chief February 28, &As long as the (appointed) Federal National Council is solving problems, people are OK with it, he said. On the human rights front, a second group has applied to the Labor Ministry to set up a human rights organization. We are tracking both their application, and that of another group that had applied to establish a human rights NGO last July.

FOREIGN POLICY STAYS THE SAME

¶11. (C) The UAE's foreign policy is unchanged. As MFA Under Secretary Abdullah Rashid Al Noaimi told the Ambassador

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November 20, there may be changes in style, rhythm, and momentum under Khalifa, but the UAE's foreign policy depends on institutions, not people (Ref. D). &Iraq is our foreign policy priority, MFA Assistant Under Secretary for Political Affairs Tariq Al Haidan told Pol Chief March 8. &We are following developments in Iraq day by day and we are anxious. We will not leave the Iraqis alone in this difficult situation. Academic Al Sayegh agreed that the stability of Iraq would remain of great interest to the UAE and the GCC. It will also insist on implementation of the Mideast Roadmap, and consult with GCC states on counterterrorism, free trade, and Iran, he said.

¶12. (C) In receiving foreign leaders, President Khalifa has focused primarily on the region, including: Prime Minister of Kuwait, King and Crown Prince of Bahrain, Sultan of Oman, Emir of Qatar, GCC Secretary General, and Saudi Second Deputy Premier. He has also received Mahmoud Abbas (as Chairman of the Executive Committee of the PLO), Jordan's Prime Minister, and German Chancellor Schroeder. Khalifa's out-of-country trips have included: Saudi Arabia, to meet with Crown Prince Abdullah and King Fahd, and to perform Umrah (lesser hajj); Oman, to meet with Sultan Qaboos; Turkmenistan, to hunt.

¶13. (C) On the military side, the changes have been relatively minor. Despite the January 1 appointment of MbZ as Deputy Supreme Commander of the UAE Armed Forces (a title MbZ inherited from Khalifa), and the January 3 appointment of Major General Hamad Mohammed Thani Al Rumaithy as the new Chief of Staff of the UAE Armed Forces, a title MbZ had held since January 1993, MbZ still makes decisions and meets seniors foreign commanders and officers, while Hamad Thani administers the General Headquarters. President Khalifa issued a federal decree on January 7 promoting MbZ from Lt. General to General, and Major General Hamad Thani to the rank of Lt. General.

COMMENT

¶14. (C) Khalifa,s decision to develop the infrastructure in the northern emirates, not by giving money directly to their rulers, but by using a combination of UAEG and Abu Dhabi institutions, was a shrewd move) no doubt learned from his father - to maintain Abu Dhabi control and loyalty. MbZ appears content with the authority he inherited from Khalifa as Chairman of the Abu Dhabi Executive Council, and he remains in control of the armed forces. MbZ is by far a more engaging interlocutor than Khalifa, but there are other government personalities, such as Information Minister Sheikh Abdullah bin Zayed and Interior Minister Sheikh Saif bin Zayed, who have appeared more prominently in public roles in recent months than they had in the past.

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